

AUDITOR-GENERAL

Objectives

The Auditor-General for the ACT is a statutory position created under the *Auditor-General Act 1996* (the Act). Consistent with the Act, the main objectives of the Auditor-General and the Auditor-General's Office (the Office) are to promote accountability in the public administration of the Territory and provide independent advice to the ACT Legislative Assembly on the efficiency and effectiveness of ACT public sector agencies.

The Office performs its role mainly by conducting financial and performance audits and reporting the results of these audits to the ACT Legislative Assembly.

The Office also performs other activities such as responding to representations by the members of the Legislative Assembly and the community, providing advice and briefings to Legislative Assembly committees and government agencies, and conducting investigations under the *Public Interest Disclosure Act 1994*.

2009-10 Priorities

Strategic and operational issues to be pursued in 2009-10 include:

- continuing to implement the Office's *Strategic Plan 2008-2011* and the internal *Action Plan 2009-2010*;
- delivering a cost-effective financial audit program in accordance with whole of government financial reporting and annual reporting timetables;
- developing an annual Performance Audit program in response to the needs of the community, the ACT Legislative Assembly and Government agencies;
- delivering timely and cost-effective performance audits and other investigations; and
- continuing the implementation of a quality assurance regime in accordance with new professional auditing and ethical standards.

Business and Corporate Strategies

In order to achieve its objectives and priorities, the Office will operate under the guidance of its *Strategic Plan 2008-2011*. The internal *Action Plan 2009-2010* sets out the actions required to achieve the objectives and priorities in the *Strategic Plan 2008-2011*.

The major focus for the Office will be to:

- work collaboratively with agencies to identify opportunities to improve financial reporting and management, and overall performance;
- maximise opportunities offered in working in partnership with Auditor-General Offices in other jurisdictions;
- improve the Office's performance through peer reviews, internal audits and staff surveys;
- increase the Office's capacity by providing appropriate training and professional development opportunities to staff; and
- commence renegotiation of the Audit Office's 2007-2010 Union Collective Agreement, due to expire on 31 March 2010.

Estimated Employment Level

2008-09 Budget		2008-09 Est. Outcome	2009-10 Budget
37	Staffing (FTE)	35	35

Changes to Appropriation

Changes to Appropriation - Departmental					
Government Payment for Outputs	2008-09 Est. Out. \$'000	2009-10 Budget \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
2008-09 Budget	2,072	2,114	2,149	2,185	2,185
2009-10 Budget Technical Adjustment					
Revised Indexation Parameters	-	(2)	(2)	(2)	35
2009-10 Budget	2,072	2,112	2,147	2,183	2,220

Auditor-General Operating Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Income							
Revenue							
2,072	Government Payment for Outputs	2,072	2,112	2	2,147	2,183	2,220
842	User Charges - Non ACT Government	815	814	..	824	847	869
2,284	User Charges - ACT Government	2,335	2,386	2	2,430	2,490	2,551
60	Interest	60	60	-	60	60	60
5,258	Total Revenue	5,282	5,372	2	5,461	5,580	5,700
Gains							
0	Total Gains	0	0	-	0	0	0
5,258	Total Income	5,282	5,372	2	5,461	5,580	5,700
Expenses							
2,954	Employee Expenses	3,099	3,054	-1	3,102	3,176	3,216
493	Superannuation Expenses	466	474	2	487	492	499
1,745	Supplies and Services	1,821	1,724	-5	1,740	1,777	1,799
70	Depreciation and Amortisation	95	95	-	95	95	95
5,262	Total Ordinary Expenses	5,481	5,347	-2	5,424	5,540	5,609
-4	Operating Result	-199	25	113	37	40	91

Auditor-General Balance Sheet

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
Current Assets							
993	Cash and Cash Equivalents	917	1,014	11	1,134	1,257	1,431
1,384	Receivables	1,404	1,404	-	1,404	1,404	1,404
5	Other	4	4	-	4	4	4
2,382	Total Current Assets	2,325	2,422	4	2,542	2,665	2,839
Non Current Assets							
517	Property, Plant and Equipment	489	459	-6	429	399	369
517	Total Non Current Assets	489	459	-6	429	399	369
2,899	TOTAL ASSETS	2,814	2,881	2	2,971	3,064	3,208
Current Liabilities							
86	Payables	208	208	-	208	208	208
14	Finance Leases	10	10	-	10	10	10
876	Employee Benefits	928	963	4	998	1,028	1,058
16	Other	16	5	-69	0	0	0
992	Total Current Liabilities	1,162	1,186	2	1,216	1,246	1,276
Non Current Liabilities							
53	Finance Leases	54	54	-	54	54	54
88	Employee Benefits	80	103	29	126	149	172
5	Other	6	1	-83	1	1	1
146	Total Non Current Liabilities	140	158	13	181	204	227
1,138	TOTAL LIABILITIES	1,302	1,344	3	1,397	1,450	1,503
1,761	NET ASSETS	1,512	1,537	2	1,574	1,614	1,705
REPRESENTED BY FUNDS							
EMPLOYED							
1,761	Accumulated Funds	1,485	1,510	2	1,547	1,587	1,678
0	Reserves	27	27	-	27	27	27
1,761	TOTAL FUNDS EMPLOYED	1,512	1,537	2	1,574	1,614	1,705

Auditor-General Cash Flow Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
2,072	Cash from Government for Outputs	2,072	2,112	2	2,147	2,183	2,220
3,126	User Charges	3,150	3,200	2	3,254	3,337	3,419
60	Interest Received	60	60	-	60	60	60
216	Other Revenue	216	222	3	228	234	240
5,474	Operating Receipts	5,498	5,594	2	5,689	5,814	5,939
Payments							
2,923	Related to Employees	3,047	3,022	..	3,063	3,107	3,147
510	Related to Superannuation	540	498	-8	514	521	528
1,756	Related to Supplies and Services	1,789	1,755	-2	1,764	1,829	1,850
216	Other	216	222	3	228	234	240
5,405	Operating Payments	5,592	5,497	-2	5,569	5,691	5,765
69	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	-94	97	203	120	123	174
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
0	Purchase of Investments	1	0	-100	0	0	0
0	Investing Payments	1	0	-100	0	0	0
0	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-1	0	-100	0	0	0
69	NET INCREASE/ (DECREASE) IN CASH HELD	-95	97	202	120	123	174
924	CASH AT BEGINNING OF REPORTING PERIOD	1,012	917	-9	1,014	1,134	1,257
993	CASH AT THE END OF THE REPORTING PERIOD	917	1,014	11	1,134	1,257	1,431

Auditor-General Statement of Changes in Equity

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
1,765	Opening Balance	1,711	1,512	-12	1,537	1,574	1,614
	Accumulated Funds						
-4	Operating Result for the Period	-199	25	113	37	40	91
	Reserves						
-4	Total Income And Expense For The Period	-199	25	113	37	40	91
	Transactions Involving Equity Holders Affecting Accumulated Funds						
1,761	Closing Balance	1,512	1,537	2	1,574	1,614	1,705

Notes to the Budget Statements

The Auditor-General's budget is determined by a procedure set in legislation. After consultation with the Auditor-General, the Standing Committee on Public Accounts advises the Treasurer of the level of funding which the Committee considers appropriate for the Office.

Significant variations are as follows:

Operating Statement

- employee expenses: the increase of \$0.145 million in the 2008-09 estimated outcome from the original budget is a result of the Office changing its staffing mix to improve its performance audit capacity. The employee costs are expected to remain at similar levels in 2009-10; and
- supplies and services expenses: the increase of \$0.076 million in the 2008-09 estimated outcome from the original budget and the decrease of \$0.097 million in the 2009-10 Budget from the 2008-09 estimated outcome, are due to higher costs charged by contract audit firms on the outsourced audits in 2008-09 which are not expected to recur in 2009-10.

Balance Sheet

- payables: the increase of \$0.122 million in the 2008-09 estimated outcome from the original budget reflects the flow on effect of the 2007-08 audited outcome; and
- current and non current employee benefits: the increase of \$0.044 million in the 2008-09 estimated outcome from the original budget and the increase of \$0.058 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to increases in leave liabilities, particularly in relation to senior staff within the Office.

